



December 19, 2007

Steve Miller  
The City of Las Vegas  
400 Stewart Street  
Las Vegas, NV 89101

Dear Steve,

The marketing for the City's January 1 stop loss renewal has been completed. As we discussed, we are recommending that the City renew with AIG for the following reasons:

- AIG is the incumbent carrier and is rated A++.
- The average increase for a group of the City's size and claims experience is 21%.
- At 13%, AIG's premium is significantly lower than other bidding carriers who quoted with rates ranging from 24-115% higher than AIG.
- The one quote which is slightly lower than the AIG renewal is not from a direct writing reinsurer nor is the quote confirmed.

We have documentation and supporting claims and proposal detail should you wish to review further information. Please contact me if you have any questions or concerns.

Respectfully,

Tanna Prince, CEBS, FLMI  
Vice President